

 **Introduction :**

FAREMART TRAVELS PRIVATE LIMITED is incorporated on 05th August 2016 having CIN (Company Identification No) : U63030DL2016PTC304052. The Authorized Share capital at the time of incorporation was Rs. 1 Lac.

 **Founder/Promoter/First Directors :**

The company was incorporated by following directors as per the official documents :

Sr No	Name	Residential Address as per Government Document	Contact No	PAN issued as per Income Tax Department	Date of Birth	Whether Holding Shares in the company?
1	Amit Chauhan	H No 332, Pillukhera Mandi, District : Jind State : Haryana Postal Code : 126113	+91- 7355007340	BATPA2216C	15- FEB- 1990	YES [90%]
2	Gaurav Sawhney	S-3/23-B, Old Mahavir Nagar, Delhi-110018	+91- 8826496660 [This Contact no is of Manprit Singh Chadha. However, they have provided it for Gaurav]	AZIPS7459J	12- NOV- 1981	NO**

3	Manprit Singh Chadha	R-672, New Rajender Nagar, Delhi-110060	+91-8826496660	ABTPC1448C	19-OCT-1969	YES [10%]
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***As per Records, it was decided that Gaurav Sawhney would also hold shares in the company however, he back out and was holding only directorship in the company.

 **Further Appointment/Cessation of Directors :**

Sr No	Name	Date of Appointment	Date of Cessation	Reason for Cessation if any
1	Varun Gupta	07-Sep-2016	15-Nov-2016	Personal
2	Gaurav Sawhney	First Director	18-Nov-2016	Personal
3	Sumit Chauhan	12-May-2018	---	---
4	Manprit Singh Chadha	First Director	15-May-2018	Personal
5	Aman Khandelwal	29-Apr-2017	15-May-2018	Personal
6	Aasif Iqbal Bhat	31-Jan-2020	---	---

At present Amit Chauhan, Sumit Chauhan (Amit's Younger Brother) and Aasif Iqbal Bhat are the running the company under their directorship. However, the appointment and cessation of so many directors is questionable because it is observed that this was done deliberately to transfer funds (might be black money) into the company as the amount of unsecured loan increased in the financial year in which such appointment happened. Also it appears to be doubtful transaction as the company is having surplus funds and profits, then why there was need to raise the funds by unsecured loans? This is just a claim and due to non-availability of complete data, we cannot firmly take a stand on this and detail investigation is needed in this matter. If we can forward this details to income tax department then they can investigate this matter thoroughly.

Details of the abstract of Data analyzed :

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Amount of Unsecured Loan Received up FY-	2,188,010/- (net)	21,20,818/- (net)	43,102,753/- [as Certified by Company's Auditor]

As per Balance Sheet of FY 2016-17 :

Note -6 **Other Current Liabilities**

Particulars	As at 31 March 2017
Current maturities of long-term borrowings	2,188,010
Statutory dues payables	159,598
Salary & remuneration payable	615,771
Audit fees payable	90,000
Computer rent payable	66,885
Dialer rent payable	43,505
Other expenses payable	840,000
Total	4,003,769

Note -7 **Short term provisions**

Particulars	As at 31 March 2017
Others	
Provision for income tax (net of Advance tax)	819,216
Total	819,216

For Faremart Travels Pvt. Ltd.


Director

For Faremart Travels Pvt. Ltd.


Director



As per Balance Sheet of FY 2017-18 :

Note-6 Other Current Liabilities		
Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings	21,20,818	21,88,010
Statutory dues payable	53,500	1,59,598
Salary & remuneration payable	-	6,15,771
Audit fees payable	90,000	90,000
Computer rent payable	-	66,885
Office rent payable	-	43,505
Other expenses payable	8,25,000	8,40,000
Other payable for expenses	33,29,374	-
Total	64,16,692	40,03,765

Amount As Certified by Company's Auditor as per Form DPT-3 (FY 2018-19) :

(f) Any amount received by the company from any other company	6,776,379
(g) Any amount received and held pursuant to an offer made in accordance with the provisions of the Act towards subscription to any securities including share application money or advance towards allotment of securities pending allotment, so long as such amount is appropriated only against the amount due on allotment of securities applied for.	0
(h) Any amount received from a person who, at the time of the receipt of the amount, was a director of the company or the relative of the director of a private company.	36,326,374

The same amount is certified by the Company's Auditor (FY 2018-19) :

S S G G & CO LLP
CHARTERED ACCOUNTANTS

LLPIN: AAN-1510, PAN: ADSFS8620B
Address: 272, Udyog Vihar, Phase-4, Gurugram,
Haryana, 122016, E. ca@sahilgarg.com
W. www.sahilgarg.com, M. +91 98732 48478

TO WHOMSOEVER IT MAY CONCERN

UDIN - 19537404AAAAAJ2071

This is to be certified that **M/s Faremart Travels Private Limited**, a company incorporated under Companies Act, 2013, and having its corporate office situated at **272, Udyog Vihar, Phase -4, Gurugram, Haryana – 122016** has below mentioned outstanding receipts money or loan, which have been taken from 1st April 2014 and are outstanding as on 31st March 2019. It is further confirmed that these are not considered as deposits in term of rule 2(1)(c) of Companies (Acceptance of Deposits) Rules, 2014 read with section 73 of the Companies Act, 2013.

Particulars of receipt of money or loan by a company but not considered as deposits, at the end of financial year, in terms of clause (c) of sub-rule 1 of rule 2 of the Companies (Acceptance of Deposits) Rules,2014

Amount Received as loan from Banking Company	69,11,423/-
Amount Received by the company from any other Company	67,76,379/-
Amount received from a person who, at the time of the receipt of the amount, was a director of the company or the relative of the director of a private company	3,63,26,374/-
Total	5,00,14,176/-

For S S G G & Co LLP
Chartered Accountants
FRN- N500099

CA. Sahil Garg
(Partner)
M No 537404



Place: Gurugram
Date: 24/03/2019

 **Main Object of the Company :**

The company is incorporated with the Main Object as –

To carry on business as tourist agents and contractors, and to facilitate travelling and to provide for tourists and travellers, or promote the provisions of conveniences of all kinds in the way of through tickets, circular tickets, sleeping cars or berths, reserved places, hotel and boarding and/or lodging accommodation and guides, safe deposits, enquiry bureau, libraries, resting rooms, baggage transport and otherwise and to charter steamships and aeroplanes for fixed periods or for particular voyages and flights.

Note : There was no mention of Call centre business/ IT business at the time of Incorporation of Company.

Later on 11th May 2018, they altered the main object clause and added IT business as the primary object clause along with Travelling business/ Tour Agent. Screenshot of Copy of certificate is enclosed herewith.

Altered Object Clause to add IT Business as Main Object :

To carry on the business of Information Technology consulting services, Application development, Software development, web sites designing and development, E-commerce solutions, software solutions, mobile app development, anti-virus development and all type of software and information technology related activities including business process outsourcing knowledge process outsourcing, process automation, graphic designing and multimedia presentations whether in India or in abroad.



Registrar of companies, Delhi
4th Floor, IFCI Tower 61, New Delhi, Delhi, India, 110019

Corporate Identity Number: U63030DL2016PTC304052

SECTION 13(1) OF THE COMPANIES ACT, 2013

**Certificate of Registration of the Special Resolution Confirming Alteration of
Object Clause(s)**

The shareholders of M/s FAREMART TRAVELS PRIVATE LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 11-05-2018 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at New Delhi this Twenty second day of May Two thousand eighteen.



SANJAY BOSE

Registrar of Companies
RoC - Delhi

Mailing Address as per record available in Registrar of Companies office:

FAREMART TRAVELS PRIVATE LIMITED

905, MERCANTILE HOUSE, KASTURBA GANDHI MARG, NEW DELHI, New
Delhi, Delhi, India, 110001



 **Interest in Other Entities:**

Before Incorporation of Faremart Travels, all the directors were involved in other business related to Export and Import of Goods and services. Except Amit's Company Adhrit Technologies, all other business were in the same line. It is highly suspected that the initial investment as a loan and share capital in the company Faremart Travels was made from the source of income of Other Companies.

Interest in other entities			
DIN	01527159		
Name	MANPRIT SINGH CHADHA		
List of Companies			
CIN/FCRN	Company Name	Begin Date	End Date
U13200TG2010PTC069558	ARGENTUM METALS AND MINERALS PRIVATE LIMITED	20/07/2010	-
U17210DL2011PTC220405	SEVEN COLOURS EXIM PRIVATE LIMITED	11/06/2016	-
U52590DL2012PTC238241	SAT KARTAR SHOPPING PRIVATE LIMITED	29/06/2012	-
U31504DL2013PTC247443	SAT KARTAR FAHRENHEIT PRIVATE LIMITED	17/01/2013	-
U74140DL2013PTC255360	SAT KARTAR CONSULTING SERVICES PRIVATE LIMITED	15/07/2013	-

Interest in other entities

DIN 06738335

Name GAURAV SAWHNEY

List of Companies

CIN/FCRN	Company Name	Begin Date	End Date
U17210DL2011PTC220465	SEVEN COLOURS EXIM PRIVATE LIMITED	28/02/2016	-
U51909DL2012PTC235346	SAT KARTAR EXIM PRIVATE LIMITED	01/03/2016	-
U24140DL2015PTC284432	SK 24X7 SERVICES PRIVATE LIMITED	24/08/2015	-



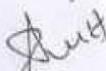
Interest in other entities

DIN 07071490

Name AMIT

List of Companies

CIN/FCRN	Company Name	Begin Date	End Date
U17210DL2011PTC220465	SEVEN COLOURS EXIM PRIVATE LIMITED	04/03/2016	-
U72200HR2015PTC055340	ADHRIT TECHNOLOGIES PRIVATE LIMITED	30/03/2015	-



 **Share Capital Structure :**

Information derived from eForm SH-7 :

Sr No	Particulars	Original (A)	Revised (B)	Remarks
1	Total Number of Shares at the time of Incorporation	10,000	-	
2	Face Value per Share in Rs.	10/-	-	
3	Total Paid up capital as held by the shareholders in Rs.	100,000/-	-	
4	Revised Total Number of Shares as increased on 01-Feb-2019	-	250000	Authorised Share capital increased by 240000 to allot shares to shareholders.
5	Face Value per Share in Rs.		10/-	
6	Total Paid up capital as held by the shareholders after revision in share capital in Rs.		25,00,000/-	Shares worth Rs. 24,00,000 were allotted to Shareholders.

Extract of e-form SH-7 :

3. *Purpose of the form

Increase in share capital independently by company Increase in number of members
 Increase in share capital with Central Government order Consolidation or division etc.
 Redemption of redeemable preference shares

4. In accordance with section 61(1) of the Companies Act, 2013, that by Ordinary Special resolution at the meeting of the members of the company held on 01/02/2019 (DD/MM/YYYY)

(a)(i) The authorised share capital of the company has been increased from

Existing	(in Rs.)	100,000.00
Revised	(in Rs.)	2,500,000
Difference (addition)	(in Rs.)	2,400,000.00

6. The additional capital (taking into consideration the addition above) is divided as follows

(a) Number of equity shares	240,000	Total amount of equity shares (in Rs.)	2,400,000.00
(b) Number of preference shares	0	Total amount of preference shares	
Total addition	(in Rs.)	2,400,000.00	(in Rs.)

9. Revised capital structure after taking into consideration the changes vide points 4, 5, 6 and 8 above

(a) Authorised capital of the company (in Rs.) 2,500,000.00

Break up of Authorised capital

Number of equity shares	250,000	Total amount of equity shares (in Rs.)	2,500,000.00
Nominal amount per equity share	10		
Number of preference shares	0	Total amount of preference shares (in Rs.)	0.00
Nominal amount per preference share	0		
Number of unclassified shares		Total amount of unclassified shares (inRs.)	

Additional shares were allotted to Amit Chauhan and His Wife Sonia.



FAREMART TRAVELS PRIVATE LIMITED

CIN-U63030DL2016PTC304052

Website - www.faremart.com, email - info@faremart.com

Phone - 0124-4060442

Name of the company	Faremart Travels Private Limited
Date of Allotment	1 st February, 2019
Type of Shares Allotted	Equity
Nominal Amount per share	Rs.10/-
Premium Amount per share	Nil
Total Number of Allottees	2
Brief particulars in respect of terms and conditions, voting rights etc.	Ranking Pari Passu with existing shares.

LIST OF ALLOTEES FOR SHARES ALLOTED ON 1st FEBRUARY, 2019

S. No.	Name & Occupation of Allottees	Address of Allottees	Nationality of the Allottees	No. of Shares Allotted
1	Amit Chauhan	H38/3, 2 nd Floor, DLF City, Phase I, Gurgaon, Haryana, 122001	Indian	2,16,000
2	Soniya Malik	H38/3, 2 nd Floor, DLF City, Phase I, Gurgaon, Haryana, 122001	Indian	24,000
		Total		2,40,000

**Certified True Copy
For Faremart Travels Private Limited**

For Faremart Travels Pvt. Ltd.

(Amit Chauhan)

Director

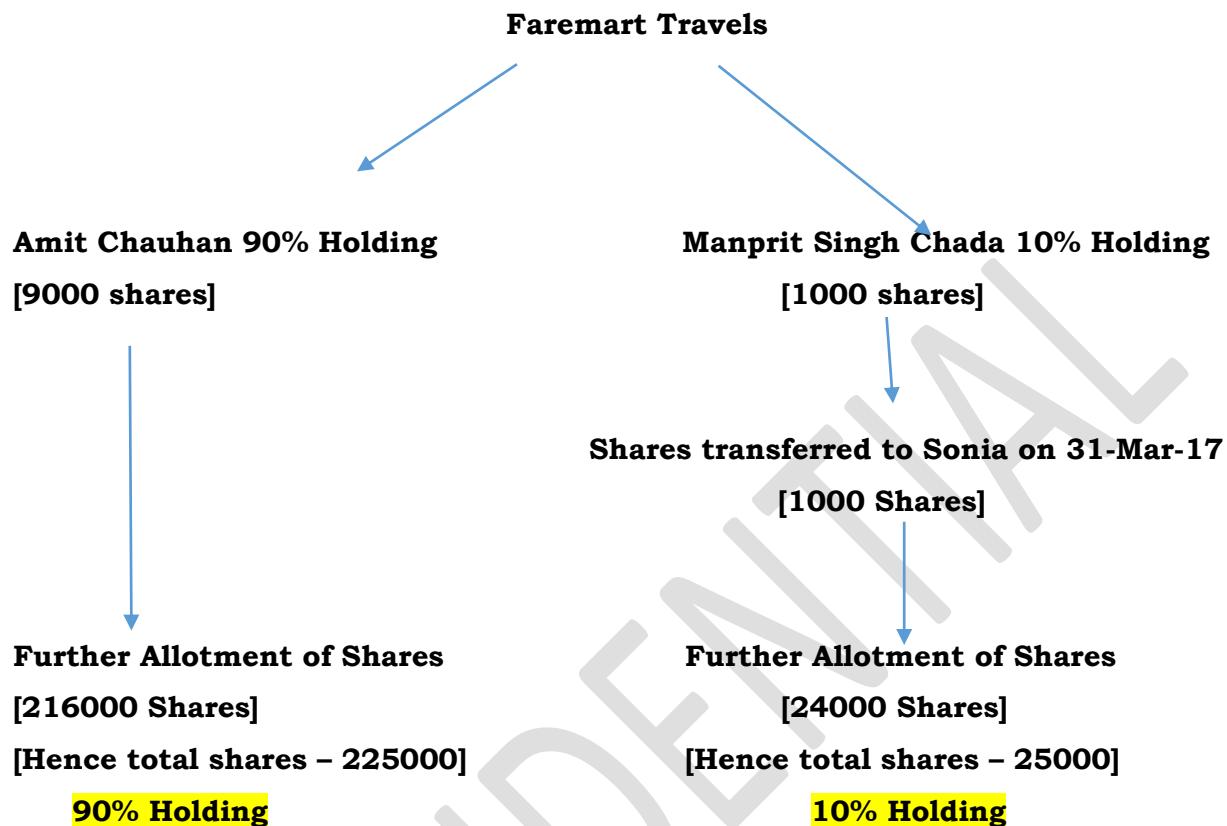
DIN No: 07071490

Director

Date: 01/02/2019

Place: Gurgaon

Summary of Share Holding



Change in Registered office of Company :

The registered office of the company was shifted from State of Delhi to State of Haryana on 01st July 2018. Also, the Address at which the books of account are to be maintained was updated as : Plot No 272, Udyog Vihar, Phase 4, Gurugram, Haryana-HR-122016. In case of any written complaint against the company is to be filed, it should be filed with Udyog Vihar Police Station, Gurugram.

2.(a) Name of the company	FAREMART TRAVELS PRIVATE LIMITED
(b) Address of Registered office of the company	905,MERCANTILE HOUSE KASTURBA GANDHI MARG NEW DELHI New Delhi Delhi 110001

3. * Date of board resolution wherein a decision regarding address at which books of account are to be maintained has been taken (DD/MM/YYYY)

4. Address at which the books of account are to be maintained

(a) *Address	Line I	Plot No 272, Udyog Vihar, Phase 4
	Line II	
(b) * City		Gurugram
(c) * State		Haryana-HR
(d) Country		IN
(e) * Pincode		122016

5. Details pertaining to police station under whose jurisdiction the place of the address at which the books of account are to be maintained falls

(a) *Police station name	Udyog Vihar Police Station	
(b) * Address	Line I	Dundahera Village, Sector 20
	Line II	
(c) * City		Gurugram
(d) State		HR
(e) Country		IN
(f) * Pincode		122016

List of attachments

 **Financials :**

Year 1 : FY 2016-17

- Reserves and Surplus/Retained Profit :** The company has reported the retained profit (after tax) of **Rs 1.78 Millions in just 7 months** from the date of incorporation. Average Monthly profit comes to **Rs. 2.55 Lacs** which is highly unexpected from the newly incorporated company. As per normal business practice it takes some time (like few months) to turn profitable since the fixed cost such as salary, rent, financial cost and capital expenditure are high and all the revenue earned is applied to meet these expenses. But Faremart Travels has earned and retained the profit in the company even after meeting these expenditures. Had this company been listed on stock exchange, its share prices would have created boom since this company is in profit from Day 1.

Faremart Travels Private Limited
 CIN-U63030DL2017PTC304052
 Balance Sheet as at March 31, 2017
 (All amounts in Rupees, unless otherwise stated)

Particulars	Note No.	Figures as at the end of current reporting period
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	2	100,000
(b) Reserves and surplus	3	1,784,969
		1,884,969
(2) Non - Current Liabilities		
(a) Long-term borrowings	4	8,862,875
(a) Deferred tax liabilities (net)	5	47,000
		8,909,875
(3) Current Liabilities		
(b) Other current liabilities	6	4,003,769
(c) Short term provisions	7	819,216
		4,822,985
TOTAL		15,617,829

- Long Term Borrowings :** As per Balance Sheet, there is outstanding of Car Loan of **Rs. 8.86 Millions** as on 31st March 2017 against the Car purchased for Rs. **13.50 Millions**. This also appears to be dubious transaction. As per Companies act, 2013, if any loan is taken against the purchase of asset and for which any

security is given then the financing company providing loan has to create charge on the property (asset). It means there should be LIEN and hypothecation on the asset by the financing company. This has not happened here. Either it is compliance default or this loan is not taken from the finance company. Detailed investigation is required in this regard. Also, as per normal procedure if you want to take loan for the new company then loan is given in the form of Term Loan to establish the business i.e. capital expenditure or for the working capital needs which is in the form of Cash Credit facility. In this case, when there was no net worth of company except the share capital of Rs. 1 Lac, then how can any bank or financial institution provide the loan to the company run by the then 26 years old Amit Chauhan? How can financial company trust him as he was having experience of just 1 year in Adhrit Technologies and six months of experience (cumulative) in Seven Colors Exim Private Limited before incorporating Faremart Travels. Moreover, the 100% revenue of the company was coming in foreign currency, hence the end use of asset in the company is not justified.

Faremart Travels Private Limited
CIN-U63030DL2017PTC304052
Balance Sheet as at March 31, 2017
(All amounts in Rupees, unless otherwise stated)

Particulars	Note No.	Figures as at the end of current reporting period
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	2	100,000
(b) Reserves and surplus	3	1,784,969
		<u>1,884,969</u>
(2) Non - Current Liabilities		
(a) Long-term borrowings	4	8,862,875
(a) Deferred tax liabilities (net)	5	47,000
		<u>8,909,875</u>
(3) Current Liabilities		
(b) Other current liabilities	6	4,003,769
(c) Short term provisions	7	819,216
		<u>4,822,985</u>
TOTAL		<u>15,617,829</u>

Notes to Financial Statement as at 31st March, 2017
Notes annexed to and forming part of the financial statements
(All amounts in Rupees, unless otherwise stated)

Note -4 Long-term borrowings

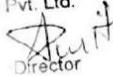
Particulars	As at 31 March 2017
Secured and considered good Car Loan	8,862,875
Total	8,862,875

Notes to Financial Statement as at 31st March, 2017
Notes annexed to and forming part of the financial statements
(All amounts in Rupees, unless otherwise stated)

Note-8 Fixed Assets

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 5 August 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 5 August 2016	Depreciation/ amortisation	Deductions/ adjustments	As at 31 March 2017	As at 31 March 2017
Tangible assets									
Furniture and fixtures	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-
Computers	-	33,500	-	33,500	-	5,391	-	5,391	28,109
Vehicles	-	13,496,000	-	13,496,000	-	861,448	-	861,448	12,634,552
Total	-	13,529,500	-	13,529,500	-	866,839	-	866,839	12,662,661
Previous Year	-	-	-	-	-	-	-	-	-

For Faremart Travels Pvt. Ltd.



For Faremart Travels Pvt. Ltd.



3. Other Current Liabilities : Other Current liabilities mainly includes Unsecured Borrowings and its details are already covered in further appointment/cessation of director paragraph. It also includes payable expenses such as statutory dues, salary, audit fees, computer rent, dialer rent and other expenses. Out of which Other Expenses payable of Rs. 8,40,000/- is doubtful transaction. It might be an adjustment entry to save income tax @ 30% which comes to Rs. 2.50 Lacs. This can be confirmed from the vouchers. However we do not have access to it and income tax officer can check for this if we provide the details to him regarding company's financial transactions.

Note -6 **Other Current Liabilities**

Particulars	As at 31 March 2017
Current maturities of long-term borrowings	2,188,010
Statutory dues payables	159,598
Salary & remuneration payable	615,771
Audit fees payable	90,000
Computer rent payable	66,885
Dailer rent payable	43,505
Other expenses payable	840,000
Total	4,003,769

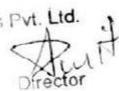
4. **Short Term Provisions :** It includes provision for income tax. The company is showing its business so legal that it is actually paying income tax of Rs. 8 Lacs out of which company has paid 4 lacs in advance.
5. **Fixed Assets :** This is interesting item in the balance sheet. The company is having only two assets. One of them is car worth Rs 13.50 Millions and the other one is a single computer of Rs. 33,500/- . The company has achieved turnover of Rs. 20.57 Millions with just a single computer in their ownership. Now going deeper in balance sheet and profit & Loss statement, we found that they have taken computers on Rent for Rs. 9,97,250/- for 7 months (which is equal to the cost of 30 computers approx.). It is hard to believe that a travel agent company/call center company is not investing in assets which are primary for its business. Rather they are purchasing assets (car) which is beneficial for the owner of the company. Also, it could be the possibility that by taking computers on rent, the company can deny about the ownership and possession of the data in case if raid of income tax/police happens. However, this also depends on the service level agreement of the company with service provider.

Notes to Financial Statement as at 31st March, 2017
 Notes annexed to and forming part of the financial statements
 (All amounts in Rupees, unless otherwise stated)

Note-8 Fixed Assets

Particulars	Gross block				Accumulated depreciation				Net block As at 31 March 2017
	As at 5 August 2016	Additions	Deductions/ adjustments	As at 31 March 2017	As at 5 August 2016	Depreciation/ amortisation	Deductions/ adjustments	As at 31 March 2017	
Tangible assets									
Furniture and fixtures	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-
Computers	-	33,500	-	33,500	-	5,391	-	5,391	28,109
Vehicles	-	13,496,000	-	13,496,000	-	861,448	-	861,448	12,634,552
Total	-	13,529,500	-	13,529,500	-	866,839	-	866,839	12,662,661
Previous Year	-	-	-	-	-	-	-	-	-

For Faremart Travels Pvt. Ltd.


Director

For Faremart Travels Pvt. Ltd.





Note-17 Other expenses

Particulars	As at 31 March 2017
Advertisement expenses	3,642,061
Legal and professional expenses	266,000
Bank Charges	49,515
Rates & Taxes	9,614
Conveyance	14,478
Internet Expenses	215,077
Payment to Auditor	100,000
Misc. Expence	64,415
Repair & Maintenance - Computers	25,000
Office Rent	1,568,000
Tour & Travelling	1,832,088
Computer and Dailer Rent	997,250
Water & Electricity Charges	256,050
Telephone Expense	749,334
Total	9,788,882

6. **Cash and Cash equivalents :** The company is having closing balance of Rs. 5,37,284/- in bank and Rs. 11,000/- only in cash in hand. From the balance sheet it appears that most of the expenses are done by banking channel as the cash in hand balance is very low. However, in FY 2016-17, in India Demonitization happened and the details regarding the specified bank notes (i.e. old notes of Rs. 500/- and Rs. 1000/-) was to be reported in the separate schedule of Balance Sheet and in annual return also. However, the same has not been done by the company and its auditor as well resulting into procedural

default by both. Also, the auditor has not qualified the report for non-compliance. Extract of the same in annual return e-form AOC-4 is produced here :

Segment V: Auditor's Report

I. (a) In case of a government company, whether Comptroller and Auditor-General of India (CAG of India) has commented upon or supplemented the audit report under section 143 of the Companies Act, 2013 Yes No

II. *Whether the auditors have reported as to whether company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company Yes No

III. Details of remarks made by auditors and applicability of CARO

1. *Whether auditors' report has been qualified or has any reservations or contains adverse remarks Yes No

3. *Whether Companies (Auditors' Report) Order (CARO) applicable Yes No

4. Auditors' comment on the items specified under Companies (Auditors' Report) Order (CARO)

7. **Short Term Loans and Advances :** Short term loans and advances include amount of Rs. 14,15,168/- out of which Rs. 12,15,168/- is given to related party and Rs 2 Lacs to others. This can be interpreted as Money earned out of profit from this company and/or money received as unsecured loan by the company is given/diverted to related parties. As per Note 20 of Balance Sheet, related parties are Amit Chauhan and Manprit Singh Chadha. Money earned from this company could have been given to float another company or business and there could be the possibility of diversion of funds (as happens in Money Laundering cases). But due to non-availability of data we are not in a position to firmly take a stand on this issue. Detailed investigation is needed to find the audit trail.

Note-11 **Short-term loan and advances**

Particulars	As at 31 March 2017
Other advances, unsecured but considered good	
- To related parties	1,215,168
- Others	200,000
Total	1,415,168

Notes to Financial Statement as at 31st March, 2017
 Notes annexed to and forming part of the financial statements
 (All amounts in Rupees, unless otherwise stated)

Note-20 Accounting Standard (As)-18 'Related Party Disclosures'

Related Party Relationships as per paragraph 3 of AS-18	Name of related party
(A) An enterprises that directly, or indirectly through one or more intermediaries - controls Faremart Travels Private Limited	None
- are controlled by Faremart Travels Private Limited	None
- are under common control with Faremart Travels Private Limited	None
(B) Associates and Joint Venture of Faremart Travels Private Limited	None
(C) Individuals owning, directly or indirectly, an interest in the voting powers of Faremart Travels Private Limited that gives them control or significant influence over Faremart Travels Private Limited and relatives of such individual (For Relatives, refer Table A)	1. Amit Chauhan 2. Manprit Singh Chadha
(D) Key Management Personnel (For Relatives, refer Table A)	1. Amit Chauhan 2. Manprit Singh Chadha
(E) Enterprises over which any person described in (c) or (d) above is able to exercise significant influence	None

8. Profit & Loss Account Statement :

- Revenue** : In FY 2016-17, the company had earned the revenue of **Rs. 20.57 Millions** and it is derived from foreign sources only. Had it been a tour operator business/ticked booking business then it is impossible to achieve so much of revenue in just 7 months. The average monthly revenue comes to **Rs. 2.94 Millions**. Now comparing expenses related to tour operations business we found that there is only one expense i.e. Tours and Travelling Expense of **Rs. 1.83 Millions**, Hence if we calculate the gross margin of profit, then it comes to **Rs. 18.74 Millions [20.57-1.83]** which is **91%**. It is rare to see travel agent business with so much of margin. We conclude that Faremart Travels was running call centre since the incorporation of company and all the revenue earned is actual billing to customers to scam them.
- Salary Exp** : Salaries to staff amounts to **Rs. 6.39 Millions for 7 months**. It includes mostly the incentives paid to staff for achieving the specified target of sales.
- Advertisement Exp** : The company has shown advertisement expenses of **Rs. 3.64 Millions** which is again looks dubious transaction to save the

income tax of Rs. **1.09 Millions approx.** Detailed investigation is needed to unearth the truth.

- d. **Telephone Expenses, Computer Rent and Office Rent** : Another huge expenses are Office Rent of Rs. 1.57 Millions for 7 months which comes to Rs. 2,24,000/- per month and Telephone Exp of Rs. 7,49,334/- and Computer Rent exp of Rs. 9,97,250/-. From these expenses we can firmly believe that activities were happening on large scale since the beginning.
- e. **Depreciation and cash profit**: There is depreciation of Rs, 8,66,882/- reported in the profit and loss account. As this is non cash item, lets add this number to actual profit of Rs. 17,84,969/- which comes to Rs. 2,651,851/-. **It means company has cash profit of Rs. 2.65 Millions.**

Notes to Financial Statement as at 31st March, 2017
Notes annexed to and forming part of the financial statements
(All amounts in Rupees, unless otherwise stated)

Note-17 Other expenses

Particulars	As at 31 March 2017
Advertisement expenses	3,642,061
Legal and professional expenses	266,000
Bank Charges	49,515
Rates & Taxes	9,614
Conveyance	14,478
Internet Expenses	215,077
Payment to Auditor	100,000
Misc. Expence	64,415
Repair & Maintenace - Computers	25,000
Office Rent	1,568,000
Tour & Travelling	1,832,088
Computer and Dailer Rent	997,250
Water & Electricity Charges	256,050
Telephone Expense	749,334
Total	9,788,882

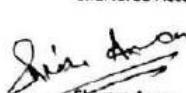
Extract of Profit and Loss statement for FY 2016-17 is provided herewith.

Faremart Travels Private Limited
 CIN-U63030DL2017PTC304052
 Statement of profit and loss for the year ended March 31, 2017
 (All amounts in Rupees, unless otherwise stated)

Particulars	Notes	Figures at the end of current reporting period
Revenue from operations	13	20,573,294
Other Income	14	102
Total Revenue		20,573,396
 Expenses		
Employee benefit expenses	15	6,944,605
Finance costs	16	321,885
Depreciation and amortization expenses	8	866,839
Other expenses	17	9,788,882
Total Expenses		17,922,210
 Profit/ (Loss) before tax		2,651,186
 Tax expense:		
Current tax	18	819,216
Deferred tax	18	47,000
 Profit/ (Loss) after tax		1,784,969
 Profit/(Loss) per equity share (par value of Rs. 10 each)		
- Basic and diluted	21	17.85
 Significant accounting policies	1	

The notes referred to above form an integral part of financial statements

For Shivam Aeran
 Chartered Accountant

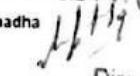

 Shivam Aeran
 M. No. 538269

Place: Delhi
 Date: 26-Aug-2017



For and on behalf of Board of
 Directors of Faremart Travels Private Limited


 Amit Chauhan
 Director
 DIN-07071490


 Manprit Singh Chadha
 Director
 DIN-01527159


 Director